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## Apache's black gold in Texas

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An American oil producer has announced a big discovery in western Texas that could be worth more than \$8 billion.

Apache Corp's discovery, named Alpine High, is near the Davis Mountains and is thought to contain at least two billion barrels of oil and gas. It could be one of the biggest oil finds of the past decade.

News of the field, in an area that had been largely ignored by geologists, sent shares in Apache soaring by 13 per cent yesterday. The Houston-based company said that it was raising its 2016 capital budget and would spend more than a quarter on the project.

Apache started buying rights to the area two years ago before discovering its potential. It now owns licences to more than 300,000 acres, comprising roughly two thirds of the field.

John Christmann IV, Apache's chief executive, said: "While other companies have focused on acquisitions during the downturn, we took a contrarian approach and focused on organic growth opportunities. These efforts have resulted in the identification of an immense resource."

The find, on land bought at a bargain price of \$1,300 an acre, has the potential to make Apache the sixth biggest independent oil producer and a takeover target.

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